

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6986**

**BILL NUMBER:** SB 235

**NOTE PREPARED:** Feb 20, 2007

**BILL AMENDED:** Feb 12, 2007

**SUBJECT:** Teachers' Retirement Fund Benefit.

**FIRST AUTHOR:** Sen. Zakas

**FIRST SPONSOR:** Rep. Dvorak

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill authorizes payment in certain circumstances of the amount resulting from the inclusion of military service credit in the calculation of a member's benefit from the Indiana Teachers' Retirement Fund (TRF).

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** *Summary:* This noncode bill is estimated to result in a one-time expenditure from the TRF Fund in the amount of \$30,000 to \$35,000.

*Background:* This bill is known to apply to only one person. In the early 1960s, this TRF member submitted verification of his military service time. The time equaled about seven years of service. At the time, a person in the TRF office accepted and recorded the military service time. In 1984, when this individual retired, the retirement audit process concluded that the earlier determination did not meet the statutory requirement for military service credit. In 2000, the individual requested that the Indiana General Assembly award him the military service credit he submitted in the 1960s. The legislation did not provide for retroactive payment to the date of retirement.

The current statute does not award over two years of military service credit. The person to whom this legislation applies is the only known person to have received service credit above and beyond that described in law.

All members are told in writing that all credit must be verified at the time of retirement and that all service credit is subject to the approval of the Board of Trustees and the audit process. The amount in question is over \$30,000, but less than \$35,000. The person to whom this legislation applies has gone through the

administrative hearing process before an administrative law judge to determine if he is due this back payment. In early January of 2004, the TRF was informed that the administrative law judge denied the back payment to this individual.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Teachers' Retirement Fund.

**Local Agencies Affected:**

**Information Sources:** William Christopher, former Director of TRF, 317- 232-3869.

**Fiscal Analyst:** James Sperlik, 317-232-9866.